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MEMORANDUM OF CONVERSATION

October 19, 1973

Participants: Jaksa Petric, Deputy Federal Secretary

Mr. Fejic (phonetic) Assistant to Mr. Petric

Ambassador Malcolm Toon

At my request I called on Mr. Petric today at 0900. Our meeting lasted 45 minutes.

I told Petric that the purpose of my call was to follow up Assistant Secretary Stoessel's meeting with Ambassador Granfil last week in which Stoessel had cited a number of recent developments which he felt cast a shadow over our bilateral relations. Since I assumed that Petric had received a full report of Stoessel's demarche from Granfil, I would try not to replow the same ground.— I did however wish to make a few points in order to put into perspective the current state of our relations as I viewed them.

At the outset I felt it was important for Petric to know that we understood and respected Yugoslavia's policy of nonalignment just as we hoped Yugoslav officials would understand and respect United States positions on various foreign policy issues even if they might not agree with them. As a friend of Yugoslavia however I did hope that henceforth in their implementation of their policy of nonalignment, the Yugoslavs would make an assiduous effort to avoid doing or saying things which would only give rise to friction and misunderstanding between our two countries. Without wishing to appear paternalistic, I would suggest to Petric that Yugoslavia should exercise caution in three principal areas. First, I would hope that Yugoslavia would more closely consider United States vital interests before taking actions impinging adversely upon them; I had in mind for example the Yugoslav role in the Panama Security Council meeting and its sponsorship of various resolutions on Puerto Rico. As Petric knew, I had spoken at length with Secretary Minic on our concern with regard to these two subjects, and I saw no need to go into further detail now. Secondly, I would counsel the Yugoslavs in the future to avoid innuendoes and insinuations concerning United States behavior which they knew to be without any foundation; I had in mind recent statements both in the press and elsewhere concerning our alleged role in the overturn of the Allende Government in Chile. Finally, I would hope that Yugoslavia

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would refrain from statements and actions which could only exacerbate situations already fraught with danger and raise international tensions generally; here I had in mind particularly Yugoslav behavior with regard to the current Middle East crisis.

Petric interjected at this point to ask what statements I had in mind in my reference to Yugoslav allegations concerning our role in Chile. I said that Mr. Minic's statement in the General Assembly, while cast in general terms, was capable of being interpreted and was being so interpreted in many quarters as a charge that we had a principal responsibility for the overthrow of Allende. Petric demurred, saying that we should not be so sensitive as to think that every time "imperialist circles" are mentioned the speaker has the United States in mind. He went on to say that of course there had been Yugoslav press allegations concerning United States behavior and there had been statements by "politicians" on the same theme, but we should not regard these as expressions of official opinion. I asked Petric if he would regard Mr. Bilic (Executive Bureau, LCY) who had made some particularly malicious and totally unfounded allegations concerning my country in the recent issue of Kommunist as simply a "politician". Petric seemed somewhat taken aback and muttered that Bilic was a "politician of sorts".

I then said that I thought it would be useful for Petric and for his Government's understanding of our position of the Middle East crisis if I explained in some detail the actions which my Government had taken since the onset of the crisis and were continuing to take in an effort to calm a situation which represented a serious danger for world peace. From the very beginning we had sought to stop the fighting and to lay the groundwork for a settlement fair and just for all parties concerned. Toward this end we had convened a meeting of the Security Council and, more importantly, we had begun serious and urgent discussions in diplomatic channels with a number of powers, including the Soviet Union. Beyond this we had from the beginning exercised great restraint in our arms policy toward Israel's arsenal. Unfortunately, our efforts had not been successful and in all frankness I must tell Petric that a major factor in our lack of success was the failure of the Soviet Union to cooperate with us. As Petric was aware, not only had the Soviet Union declined to cooperate with us in restricting the supply of arms to the area but it had launched a massive airlift of materiel for the Arab States which by now exceeded 400 flights and some 8,000 tons of military equipment. We had been not only disappointed in Soviet behavior but also disturbed by the haste with which Yugoslavia had facilitated this massive airlift by according what seemed to be unlimited overflight privileges to the Soviet



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Union and, according to some reports, other facilities. In a word, we did not think that Yugoslav behavior - as well as its statements - had been helpful in taking the heat out of the situation in the Middle East. Despite our discouragement with the apparent lack of success of our efforts so far, we were continuing our discussions with the Soviet Union and other powers in bilateral channels in order to bring an end to hostilities. We hoped that Yugoslavia would do everything in its power to bring about this end.

Petric said that by asking for an appointment to see him I had in a certain sense stolen his thunder since he had intended to call me in and express his Government's concern and unhappiness at the Stoessel demarche. There were a number of things about Stoessel's meeting with Granfil which puzzled and disturbed the Yugoslavs. First, they were concerned at the link drawn between Yugoslavia's implementation of its nonaligned policy and bilateral relations. Yugoslavia had always felt that political differences existed and would continue to exist between our two countries, that it had been our joint determination to discuss them frankly, but that it had been our practice not to let these differences interfere with the development of our bilateral relations. Such relations, Petric said should be viewed according to the criteria set forth in the joint declaration signed by our two Presidents in Washington in the fall of 1971. It was Yugoslavia's intention to continue to adhere to the terms of this Declaration and Petric hoped that we too regarded the Declaration as valid - although in all frankness, Yugoslav confidence in this had been somewhat shaken by Stoessel's demarche. Secondly, the Yugoslavs had been annoyed at Stoessel's references to "anti-Americanism" in Yugoslavia's current posture and attitudes. Petric could assure me that no Yugoslav policy or action could be characterized objectively as anti-American; Yugoslav policies and actions were cast and implemented in terms of Yugoslavia's national interests which admittedly on occasion might not coincide with United States national interests. Finally, Petric and his colleagues had been disturbed at Mr. Kissinger's failure to receive Mr. Minic during his stay in the United States and were particularly dismayed by Stoessel's observation that "the time was not appropriate for such a meeting". Petric pointed out that even in the darkest days of our relationship when Mr. Dulles was a key figure in Washington, it had always been possible for a Yugoslav Foreign Minister to meet with the American Secretary of State. Mr. Minic in New York had carried on fruitful conversations with some 45 foreign ministers - including all of the major powers except, regrettably, the United States.

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Petric then said he and his colleagues were astounded at Stoessel's reference to "base facilities" accorded by the Yugoslavs to the Soviet Union. The United States should know that Yugoslavia under Tito had never granted base rights to a foreign power and never would. I said I was glad to have this assurance, but pointed out that it was my understanding that Stoessel had mentioned "landing facilities" not base rights. Could Petric give me similar assurances with regard to landing privileges? Petric ignored my query.

In sum - Petric said - the Yugoslavs at all levels of government were puzzled at the turn of events reflected by Stoessel's demarche and hoped that this did not signal a deliberate downgrading of the importance of our bilateral relations by the United States side.

I told Petric that I felt he and his colleagues had seriously misread the significance of Stoessel's demarche. There certainly was no intention to downgrade the importance of our relations with Yugoslavia; nor was there any deliberate effort to cool our relations. On the other hand, it was important for the Yugoslavs to understand that their actions and statements particularly with regard to areas of vital interest to us are bound to influence the attitudes and hamper the initiatives of our policymakers. It was for this reason that we felt compelled to underline to the Yugoslavs the importance of avoiding actions we considered offensive and insinuations which were totally without foundation. I could assure Petric that while, regrettably, Mr. Kissinger had not been able to see Mr. Minic, it continued to be our aim and hope to maintain the frank and open dialogue on foreign policy issues which had characterized our relations in the past.

Petric then turned to the Middle East, saying that it was important for the United States to understand the preoccupations and motivations of Yugoslavia with regard to the Arab world. Yugoslavia felt strongly that the "Israeli aggressors" should be ousted from the lands which they were illegally occupying and Yugoslavia's Arab friends would receive all 'moral, political and material aid" from Yugoslavia toward this end (Petric noted that I would recognize the phrase as that used by the Foreign Office spokesman at his press conference yesterday). Yugoslavia noted with satisfaction that active discussions were being pursued in diplomatic channels and the Yugoslavs hoped that these would be crowned with success. Petric noted with some asperity that while the United States and the Soviet Union of course had a major role to play in

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bringing a just peace to the Middle East, other powers had important stakes in the area as well. He would remind me again of the Yugoslav unhappiness at our failure to begin a dialogue with them because of Kissinger's inability to receive Minic.

Yugoslavia's own view was that Sadat's recent speech constituted a sound basis for a fair peace settlement. The speech, Petric felt, was moderate and reasonable - unlike, he said, the subsequent remarks of Golda Meir.

Petric then said that the Yugoslav Government was seriously concerned by a report which they had received from their Syrian colleagues and which he wished to convey to me privately. The Syrians had recently shot down American aircraft bearing American markings and manned by United States personnel. In the Yugoslav view this was indeed a serious development and if the practice continued, it could only lead to a widening and worsening of the conflict. I should understand that if one side were using foreign nationals in combat, the other side would be obliged to do the same. I should bear in mind that the nonaligned movement was solidly behind the Arab cause and if its members should decide to send volunteers to the Middle East, the conflict could not be contained.

I told Petric that there was absolutely no foundation to the allegations made by the Syrians. I could assure him that no American official personnel were involved in combat in the Middle East. I agreed that such a practice would have dangerous consequences, but I felt it was equally dangerous for parties to a conflict to make such irresponsible and unwarranted charges. It was entirely possible that there were United States nationals serving as volunteers in the Israeli Armed Forces although I had no information that this was the case. The important thing for the Yugoslavs to recognize was that there was no American official participation in the hostilities, and I hoped that they would correct the record with their friends. I hoped also that it was not the Yugoslav intention to send volunteers to the Middle East, since such action could only worsen an already dangerous situation.

Petric said that there was no present intention to send volunteers to assist their Arab friends, but I should bear in mind the commitment made to the Arab cause at Algiers by members of the nonaligned movement - i.e., to provide all the necessary aid to the Arabs to bring about liberation of the occupied territories.

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Petric then said that he wished to bring to my attention another unpleasant incident affecting our bilateral relations. The Yugoslav General Staff reported that on September 3 a Pan American Boeing 747 overflew Yugoslav airspace in corridor A-4 (Subotica-Sremska Mitrovica-Belgrade-Topola-Dimitrovgrad) at a height of 10,000 meters, air speed of 900 kilometers with an F-4 reconnaissance plane flying the entire route between 300 and 500 meters below the Boeing aircraft. The F-4 was clearly using the Boeing as a shield, Petric observed.

Petric said Yugoslav anti-aircraft guns followed these aircraft for the entire route but did not react, since this would clearly have been a most dangerous course of action. It is also dangerous, however, for the U.S. to violate Yugoslav airspace, Petric said. He concluded his remarks by stating that the Yugoslav Government had delayed in bringing this incident to the attention of the United States, but since we have begun frank discussion of our relations, including their unpleasant aspects, the time now seemed ripe.

I told Petric that naturally I would report this incident to my Government and I was sure that an immediate investigation would be launched. If, in fact, such a violation of Yugoslav airspace had occurred this was indeed regrettable and he would have my apologies.

(At one point in the conversation Petric complained about recent articles carried by the Washington Post concerning Yugoslavia. One article which described in some detail Stoessel's demarche to Granfil, in the Yugoslavs' view, must have been based on a careful State Department briefing. Some of his colleagues, Mr. Petric said, could not avoid the feeling that all articles were inspired by the State Department. This they felt was an unfortunate development since some articles were tendentious and made an unfavorable impression on Yugoslav leaders.)

As I left, Petric I expressed the hope that our meeting had served to clarify the atmosphere and also my desire to continue and resume the dialogue on the Middle East and other issues whenever he felt this would be appropriate and desirable. Petric concurred that our talk had been a useful one and indicated a readiness to discuss our differences at any time.

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